


Government of the District of Columbia  
Office of the Chief Financial Officer



**Glen Lee**  
Chief Financial Officer

**MEMORANDUM**

**TO:** The Honorable Phil Mendelson  
Chairman, Council of the District of Columbia

**FROM:** Glen Lee  
Chief Financial Officer 

**DATE:** March 28, 2026

**SUBJECT:** Fiscal Impact Statement – Powering Local Utility Guidance in Housing Act of 2026

**REFERENCE:** Bill 26-542, Draft Committee Print as provided to the Office of Revenue Analysis on March 26, 2026

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**Conclusion**

Funds are not sufficient in the fiscal year 2026 through fiscal year 2029 budget and financial plan to implement the bill. The bill will cost \$1.1 million in fiscal year 2026 and \$4.7 million over the four-year budget and financial plan.

**Background**

The bill requires the Department of Housing and Community Development (DHCD) to provide affordable housing developers with expert consultation and administrative coordination with utility providers and the utility permitting process.

The bill requires the Mayor to offer utility design consultant services to qualifying affordable housing developers<sup>1</sup> applying to build in the District (“Applicants”). The consultants must be experienced in designing projects in compliance with the residential design requirements of various utility providers. The Applicants may use the services at their own risk, and services will not supersede a utility provider’s determination in the event of an error on the part of the consultant. The bill exempts

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<sup>1</sup> Qualifying developers must have secured (or sworn to secure) financing or funds from the District or federal government that is conditioned on the applicant providing income-restricted housing for at least 15 years. Or they must have a recorded property covenant that requires income restricted affordable housing exceeding the requirements of Inclusionary Zoning.

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the District and the utility design consultant from liability for failure to communicate the limitations of the utility design consultant.

The bill also requires the Mayor to offer utility permitting liaison services to assist developers with the administrative requirement of obtaining utility provider construction approvals for affordable housing projects. The liaisons may coordinate pre-construction utility disconnections and inspections, and they may track actions necessary for obtaining final utility provider approval.

Lastly the bill requires the Department of Buildings (DOB), the Office of the Chief Technology Officer (OCTO), and DHCD to enter into a Memorandum of Understanding, to work with utility providers to establish and maintain data sharing agreements with the District. The goal of the agreements is to obtain accessible and timely utility provider inspection information through DOB's permitting system or a new centralized database.

### **Financial Plan Impact**

Funds are not sufficient in the fiscal year 2026 through fiscal year 2029 budget and financial plan to implement the bill. The bill will cost \$1.1 million in fiscal year 2026 and \$4.7 million over the four-year budget and financial plan.

The bill requires the District to provide utility permit consulting services to affordable housing Applicants. DHCD will need to establish a new unit with technical expertise to consult on utility designs for affordable housing project plans. Services provided by the new division would likely include review and feedback of construction plans as they relate to utilities; advice on process and forms; permit application preparation; and coordination with permitting agencies and utilities.

There are currently 23 affordable housing projects in the pipeline receiving funding support that have completed underwriting and will soon be under construction<sup>2</sup>. The permitting phase of construction projects can be a full-time task for project managers or designated consultants until approvals are reached, which can take six to nine months at the beginning of the project. Assuming an average of six months of full-time work for projects under \$25 million and nine months for projects over \$25 million, DHCD will need to provide approximately 5,200 hours of consultant support to these projects. The division will also require a Supervising Manager.

Additionally, DHCD will require funding to build a new database or incorporate permit tracking into DOB's existing system. The new data workflow will require a dedicated System and Data Integrity Manager to manage the process.

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<sup>2</sup> <https://octo.quickbase.com/nav/app/bit4kvfmq/action/appoverview>

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<b>Cost of Bill 26-542, Powering Local Utility Guidance in Housing Act of 2026</b>					
<b>FY 2026 - FY 2029</b>					
<b>(\$ in thousands)</b>					
	<b>FY 2026</b>	<b>FY 2027</b>	<b>FY 2028</b>	<b>FY 2029</b>	<b>Four-Year Total</b>
System and Data Integrity Manager (Grade 14/5)	\$124	\$127	\$129	\$132	\$511
Supervising Manager (MSS 15)	\$152	\$155	\$159	\$162	\$628
Fringe Benefits <sup>(a)</sup>	\$62	\$65	\$68	\$70	\$265
<b>Total Personal Services Costs</b>	<b>\$338</b>	<b>\$347</b>	<b>\$355</b>	<b>\$364</b>	<b>\$1,404</b>
Utility Design and Permit Processing Consultants <sup>(b)</sup>	\$783	\$799	\$815	\$831	\$3,227
Modifications and Maintenance Information Technology Costs	\$50	\$10	\$10	\$10	\$80
Supplies and Equipment	\$5	\$5	\$5	\$5	\$20
<b>Total Non-personal Services</b>	<b>\$838</b>	<b>\$814</b>	<b>\$830</b>	<b>\$846</b>	<b>\$3,327</b>
<b>TOTAL COSTS</b>	<b>\$1,176</b>	<b>\$1,160</b>	<b>\$1,185</b>	<b>\$1,210</b>	<b>\$4,732</b>

Table Notes:

(a) Fringe Benefits rate of 22.9% and fringe growth of 2.35% annually.

(b) Assumes 5,200 hours of consulting services at an average of \$150 per hour. The Executive may choose to utilize FTEs instead of consultants, or some combination of FTEs and consultants.